

PROPOSAL TO THE 2017 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Re: Profit distributions in 2016

Pursant to:

- Enterprise Law No. 68/2014 / QH13 passed by the National Assembly on November 26, 2014;
- Pursuant to Enterprise Income Tax Law passed by the National Assembly on June 3, 2008;
- Pursuant to the Charter of organization and operation of Phu Nhuan Jewelry Company;
- Based on the 2016 financial statements of Phu Nhuan Jewelry Joint Stock Company, audited by Deloitte Vietnam Co., Ltd.

Board of Directors of Phu Nhuan Jewelry Joint Stock Company respectfully proposes Shareholders' General Meeting for profit distributions in 2016. Detail information is as follow:

I. CONSOLIDATED PROFITS BEFORE TAX, 2016	590,627,966,579 VND
- Corporate Income Tax	139,964,060,336 VND
- Deferred Corporate Income Tax Expenses	175,856,983 VND
- Profits After Tax	450,488,049,260 VND
II. PROFIT DISTRIBUTIONS:	
1. Total profits distributed	450,488,049,260 VND
2. Dividend Payments:	176,892,962,000 VND
- Phase 1:	
Paid dividend in advance in the first phase, 2016 (10% of par value):	98,273,868,000 VND
- Phase 2:	
Propose to pay undistributed dividend in the second phase of 2016 (8% of par value):	78,619,094,000 VND
3. Fund Appropriations:	139,950,000,000 VND
- Bonus and Welfare for employees fund	45,000,000,000 VND
- Investment and Development fund	76,000,000,000 VND
- Operation fund of Board of Directors, and Supervisory Board	3,750,000,000 VND
- Fund for Board of Management	3,000,000,000 VND
- Bonus to Board of Directors, and Board of Management in accordance to Resolutions of Shareholders' General Meeting (*)	12,200,000,000 VND
4. Retained Earnings:	133,645,087,260 VND

(*) Detail explanations of bonus to Board of Directors and Board of Management for exceeding planed profits in 2016:

According to Report on business performances in 2015 and Strategic orientations for 2016 issued by the Board of Directors, approved by the 2016 Annual General Meeting of Shareholders on February 4th, 2016, bonus for the Board of Directors and the Board of Management would be calculated as **20% of exceeding planed profit after tax in 2016** (excluding extraordinary event of financial investment).

- Planed profits after tax for 2016, approved by Shareholders' General Meeting, is VND 459,467 million
- According to audited consolidated financial statements for 2016, the Company's business performances are detailed as follows:

+ Gross profits	1,411,293,198,898 VND
+ Profits from financial investments (profits from subsidiaries)	5,265,793,888 VND
+ Interest expense + Exchange rate differences + Others	80,114,560,009 VND
+ Selling expense	553,623,183,284 VND
+ Business administration expense	133,281,909,539 VND
+ Net profit from operating activities	649,539,339,951 VND
+ Other profits	1,179,841,221 VND
+ Profits after tax	520,575,344,938 VND

As a result, the excess of the planed after-tax profit in 2016 is:

$$520,575,344,938 \text{ VND} - 459,467,000,000 \text{ VND} = 61,108,344,938 \text{ VND}$$

Bonus for exceeding the planed after-tax profit to the Board of Directors and the Board of Management in 2016 is calculated as follow:

$$20\% * 61,108,344,938 \text{ VND} = 12,221,668,987 \text{ VND}$$

Respectfully propose to General Meeting of Shareholders for consideration.

Recipients:

- BOD, Supervisory Board
- BOM
- Shareholders of PNJ
- Archived: Office of BOD

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ON BEHALF OF BOARD OF DIRECTORS

CHAIRWOMAN

(Singed and sealed)

CAO THI NGOC DUNG